

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES OF AMERICA

v.

CONSTANTINO PERALES

No. 13 CR 888

Judge Amy J. St. Eve

PLEA AGREEMENT

1. This Plea Agreement between the United States Attorney for the Northern District of Illinois, JOHN R. LAUSCH, JR., and defendant CONSTANTINO PERALES, and his attorney, MARK KUSATZKY, is made pursuant to Rule 11 of the Federal Rules of Criminal Procedure and is governed in part by Rule 11(c)(1)(A), as more fully set forth below. The parties to this Agreement have agreed upon the following:

Charges in This Case

2. The superseding indictment in this case charges defendant with conspiracy to knowingly and intentionally possess with intent to distribute and distribute a controlled substance, namely, a quantity of mixture and substances containing Oxycodone, and Schedule II Controlled Substance, in violation of Title 21, United States Code, Section 841(a)(1) and 846 (Count One) and with knowingly and intentionally dispensing controlled substances – namely a quantity of mixtures and substances containing Oxycodone, a Schedule II Controlled Substance; a quantity of

mixtures and substances containing Suboxone, a Schedule III Controlled Substance, and a quantity of mixtures and substances containing Alprazolam ,a Schedule IV Controlled Substance – outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1) (Counts Two through Thirty-Two).

3. Defendant has read the charges against him contained in the superseding indictment, and those charges have been fully explained to him by his attorney.

4. Defendant fully understands the nature and elements of the crimes with which he has been charged.

Charge to Which Defendant Is Pleading Guilty

5. By this Plea Agreement, defendant agrees to enter a voluntary plea of guilty to the following counts of the superseding indictment: Count One, which charges defendant with conspiracy to knowingly and intentionally possess with intent to distribute and distribute a controlled substance, namely, a quantity of mixtures and substances containing Oxycodone, a Schedule II Controlled Substance, in violation of Title 21, United States Code, Section 841(a)(1) and 846.

Factual Basis

6. Defendant will plead guilty because he is in fact guilty of the charge contained in Count One of the superseding indictment. In pleading guilty, defendant

admits the following facts and that those facts establish his guilt beyond a reasonable doubt.

Beginning at least as early as July 2013 and continuing until in or about August 2013, at Peru, in the Northern District of Illinois, Eastern Division, and elsewhere, defendant CONSTANTINO PERALES did conspire with Andrew Strandell, and with others known and unknown, to knowingly and intentionally possess with intent to distribute and to distribute a controlled substance, namely, a quantity of mixtures and substances containing Oxycodone, a Schedule II Controlled Substance, in violation of Title 21, United States Code, Section 841(a)(1) and 846.

More specifically, on three occasions between approximately June 2013 and August 2013, PERALES prescribed the controlled substances Oxycodone (brand name: Roxicodone), an opioid, and Alprazolam (brand name: Xanax), an anxiety drug, to Strandell and Strandell's girlfriend, Patient E. During the first visit, on or about June 21, 2013, PERALES prescribed Strandell and Patient E each 180 units of Oxycodone and, additionally, prescribed Strandell 90 units of Alprazolam.

On or about July 17, 2013, PERALES prescribed Strandell and Patient E each 180 units each of Oxycodone and, additionally, prescribed Strandell 90 units of Alprazolam. During or shortly after the July 17, 2013 appointment, PERALES agreed to continue to prescribe controlled substances to Strandell and Patient E, but in exchange, Strandell would be required to pay PERALES \$15-20 per pill for any

quantity in excess of 120 units of Oxycodone prescribed to Strandell or Patient E. PERALES knew from his conversations with Strandell that Strandell intended to sell the Oxycodone pills to pay PERALES the agreed upon amount. Between the appointment on July 17, 2013 and a subsequent appointment on August 15, 2013, PERALES also gave Strandell 80 pills of Oxycodone for Strandell to sell pursuant to this agreement. PERALES received approximately \$15 per pill of the Oxycodone sold by Strandell.

On or about August 15, 2013, PERALES prescribed Strandell and Patient E each 180 units of Oxycodone and each 90 units of Alprazolam. Around the time of this appointment, PERALES gave Strandell, without a prescription, an unlabeled bottle containing an additional approximately 100 Oxycodone pills for Strandell to sell. PERALES ultimately was not paid for these pills because both PERALES and Strandell were arrested before Strandell could pay PERALES.

PERALES prescribed all of the above controlled substances to Strandell and Patient E outside the course of professional conduct and without a legitimate medical purpose. For example, PERALES deliberately avoided performing the type of routine examinations, diagnostic tests and review of the patient's medical history that a professional acting in the usual course of medical practice would have performed, and failed to document any legitimate medical reason for dispensing these controlled substances to Strandell and Patient E. Despite knowing there was no legitimate

medical purpose for Strandell or Patient E to receive Oxycodone or Alprazolam, PERALES repeatedly prescribed these controlled substances to Strandell and Patient E.

PERALES acknowledges that the controlled substances he prescribed to Strandell and Patient E are accurately summarized in the charts below. For the purpose of computing his sentence under Guideline § 2D1.1, PERALES acknowledges that the total weight of these prescriptions corresponds to approximately 218.5 kilograms of marijuana.

Andrew Strandell Prescription Summary

| Date | Substance Prescribed | Drug Strength | Quantity | Total Weight Prescribed (mg) |
|-----------|-------------------------|---------------|----------|------------------------------|
| 6/21/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 6/21/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 7/20/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 7/20/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 8/15/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 8/15/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |

Total Oxycodone: 16,200 milligrams (108,540 grams of marijuana)

Total Alprazolam: 540 milligrams (33.75 grams of marijuana)

Per §2D1.1 Application Note 8(D): 16,200 mg /1,000 = 16.2 grams of oxycodone x 6,700 grams of marijuana = 99,430 grams of marijuana

Per §2D1.1 Application Note 8(D): 540 milligrams alprazolam x .0625 grams of marijuana = 33.75 grams of marijuana

Patient E Prescription Summary

| Date | Substance Prescribed | Drug Strength | Quantity | Total Weight Prescribed (mg) |
|-----------|-------------------------|---------------|----------|------------------------------|
| 6/21/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 7/20/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 8/15/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 8/15/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |

Total Oxycodone: 16,200 milligrams (108,540 grams of marijuana)

Total Alprazolam: 180 milligrams (11.25 grams of marijuana)

Per §2D1.1 Application Note 8(D): 16,200 mg /1,000 = 16.2 grams of oxycodone x 6,700 grams of marijuana = 108,540 grams of marijuana

(per §2D1.1 Application Note 8(D): 180 milligrams alprazolam x .0625 grams of marijuana = 11.25 grams of marijuana)

Stipulated Offenses

Defendant, for purposes of computing his sentence under Guideline § 1B1.2, stipulates to having committed the following additional offenses:

a. Stipulated Offense One (Patient A)

On or about April 25, 2012, at Peru, in the Northern District of Illinois, defendant PERALES did knowingly and intentionally dispense to Patient A a controlled substance, namely, a quantity of mixtures and substances containing Oxycodone, a Schedule II Controlled Substance, a quantity of mixtures and substances containing Suboxone, a Schedule III Controlled Substance, and a quantity of mixtures of substances containing Alprazolam, a Schedule IV Controlled

Substance, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1)

More specifically, beginning no later than June 30, 2011 and continuing until at least August 26, 2013, PERALES prescribed Patient A the controlled substances Suboxone, Oxycodone and Alprazolam at his clinic in Peru, Illinois. In or around January 2011, Patient A sought treatment from PERALES for his heroin addiction. PERALES began prescribing Patient A Alprazolam, an anxiety drug, and Suboxone, a combination of buprenorphine and naloxone used to treat opiate addiction. On or about November 20, 2011, PERALES also began to prescribe Patient A the opioid Oxycodone, in combination with Suboxone, knowing that these controlled substances were not medically necessary, should not be prescribed in combination, and could potentially be harmful to a patient with a history of abusing opioids. At around this same time, PERALES began requiring Patient A to have sex with him and perform sexual acts in exchange for the continued issuance of prescriptions, knowing that Patient A was opioid dependent. PERALES continued to make sex a precondition of prescriptions for controlled substances on which Patient A was dependent from approximately late 2011 through August 2013.

PERALES prescribed all of the above controlled substances to Patient A outside the course of professional practice and without a legitimate medical purpose. For example, PERALES avoided performing the type of routine examinations,

diagnostic tests and review of the patient’s medical history that a professional acting in the usual course of medical practice would have performed, and failed to document any legitimate medical reason for dispensing the above controlled substances to Patient A. Despite knowing there was no legitimate medical reason for Patient A to receive these controlled substances, PERALES continued to prescribe them, and further acted outside the course of professional practice by requiring Patient A to perform sexual acts in exchange for controlled substances on which Patient A was dependent.

PERALES acknowledges that the controlled substances he illegally prescribed to Patient A are accurately summarized in the chart below. For the purpose of computing his sentence under Guideline § 2D1.1, PERALES acknowledges that the total weight of these prescriptions corresponds to approximately 234.9 kilograms of marijuana.

| Date | Substance Prescribed | Drug Strength | Qty. | Total weight prescribed |
|------------|-------------------------|---------------|------|-------------------------|
| 6/30/2011 | ALPRAZOLAM | 1 MG | 60 | 60 |
| 9/13/2011 | SUBOXONE | 8 MG-2 MG | 10 | -- |
| 9/13/2011 | SUBOXONE | 8 MG-2 MG | 50 | -- |
| 9/13/2011 | ALPRAZOLAM | 1 MG | 90 | 90 |
| 10/13/2011 | SUBOXONE | 8 MG-2 MG | 90 | -- |
| 10/13/2011 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 11/4/2011 | SUBOXONE | 8 MG-2 MG | 90 | -- |
| 11/9/2011 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 11/19/2011 | OXYCODONE HYDROCHLORIDE | 30 MG | 60 | 1800 |
| 12/7/2011 | OXYCODONE HCL | 30 MG | 40 | 1200 |
| 12/7/2011 | ALPRAZOLAM | 2 MG | 90 | 180 |

| | | | | |
|-----------|-------------------------|-----------|-----|------|
| 12/7/2011 | SUBOXONE | 8 MG-2 MG | 90 | -- |
| 1/5/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 60 | 1800 |
| 1/5/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 1/5/2012 | SUBOXONE | 8 MG-2 MG | 10 | -- |
| 1/5/2012 | SUBOXONE | 8 MG-2 MG | 50 | -- |
| 1/31/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 60 | 1800 |
| 1/31/2012 | ALPRAZOLAM | 2 MG | 90 | -- |
| 1/31/2012 | SUBOXONE | 8 MG-2 MG | 8 | -- |
| 1/31/2012 | SUBOXONE | 8 MG-2 MG | 82 | -- |
| 3/1/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 60 | 1800 |
| 3/1/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 3/1/2012 | SUBOXONE | 8 MG-2 MG | 90 | -- |
| 3/28/2012 | OXYCODONE HCL | 30 MG | 60 | 1800 |
| 3/28/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 3/28/2012 | SUBOXONE | 8 MG-2 MG | 90 | -- |
| 4/25/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 4/25/2012 | SUBOXONE | 8 MG-2 MG | 90 | -- |
| 4/25/2012 | OXYCODONE HCL | 30 MG | 60 | 1800 |
| 4/30/2012 | OXYCODONE HCL | 30 MG | 24 | 720 |
| 5/4/2012 | OXYCODONE HCL | 30 MG | 24 | 720 |
| 5/10/2012 | OXYCODONE HCL | 30 MG | 30 | 900 |
| 5/15/2012 | OXYCODONE HCL | 30 MG | 30 | 900 |
| 5/18/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 30 | 900 |
| 5/25/2012 | OXYCODONE HCL | 30 MG | 60 | 1800 |
| 5/25/2012 | ALPRAZOLAM | 2 MG | 60 | 120 |
| 5/29/2012 | SUBOXONE | 8 MG-2 MG | 90 | -- |
| 6/21/2012 | ALPRAZOLAM | 1 MG | 60 | 60 |
| 6/21/2012 | SUBOXONE | 8 MG-2 MG | 60 | -- |
| 7/17/2012 | SUBOXONE | 8 MG-2 MG | 75 | -- |
| 7/17/2012 | SUBOXONE | 8 MG-2 MG | 15 | -- |
| 7/17/2012 | ALPRAZOLAM | 2 MG | 60 | 120 |
| 8/15/2012 | ALPRAZOLAM | 2 MG | 60 | 120 |
| 8/15/2012 | SUBOXONE | 8 MG-2 MG | 90 | -- |
| 4/29/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 30 | 900 |
| 6/11/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5400 |
| 6/11/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |

| | | | | |
|-----------|-------------------------|-------|-----|------|
| 7/11/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5400 |
| 7/11/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 8/21/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5400 |
| 8/21/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |

Total Oxycodone: 35,040 milligrams (234,768 grams of marijuana)

Total Alprazolam: 2,370 milligrams (159 grams of marijuana)

Per §2D1.1 Application Note 8(D): $35,040 \text{ mg} / 1,000 = 35.04 \text{ grams of oxycodone}$ x 6,700 grams of marijuana = 234,768 grams of marijuana

Per §2D1.1 Application Note 8(D): 2,550 milligrams alprazolam x .0625 grams of marijuana = 148 grams of marijuana

b. Stipulated Offense Two (Patient B):

On or about August 2, 2012, at Peru, in the Northern District of Illinois, Eastern Division, defendant PERALES did knowingly and intentionally dispense to Patient B a controlled substance, namely, a quantity of mixtures and substances containing Oxycodone, a Schedule II Controlled Substance, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1).

More specifically, between approximately June 2012 and August 2012, Patient B was an employee at PERALES' medical clinic in Peru, Illinois. While Patient B was an employee, PERALES prescribed Oxycodone to Patient B on 11 occasions without requiring Patient B to register as a patient, make appointments, submit to any physical examination or provide a prior medical history. Beginning in approximately September 2013, Patient B stopped working at PERALES' clinic and

registered as a new patient. Patient B began making appointments and paying a visit fee to see PERALES. Between approximately September 2012 and April 2013, PERALES continued to prescribe Oxycodone to Patient B without conforming to the standards of the medical profession and knowing that Patient B was opioid dependent and that doing so was potentially harmful to Patient B.

PERALES prescribed all of the above controlled substances to Patient B outside the course of professional practice and without a legitimate medical purpose. Throughout July and August 2012, PERALES prescribed Oxycodone to Patient B even though Patient B was not PERALES' patient and was never examined by PERALES. Even after Patient B registered as a patient at PERALES' clinic, PERALES avoided performing the type of routine examinations, diagnostic tests and review of the patient's medical history that a professional acting in the usual course of medical practice would have performed, and failed to document any legitimate medical reason for dispensing Oxycodone to Patient B. Despite knowing there was no legitimate medical reason for Patient B to receive Oxycodone, PERALES prescribed this controlled substance to Patient B.

PERALES acknowledges that the controlled substances he illegally prescribed to Patient B are accurately summarized in the chart below. For the purpose of computing his sentence under Guideline § 2D1.1, PERALES acknowledges that the

total weight of these prescriptions corresponds to approximately 404 kilograms of marijuana.

| Date | Substance Prescribed | Drug Strength | Metric Qty. | Total Weight Prescribed |
|------------|-------------------------|---------------|-------------|-------------------------|
| 7/3/2012 | OXYCODONE HCL | 30 MG | 60 | 1,800 |
| 7/9/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 60 | 1,800 |
| 7/16/2012 | OXYCODONE HCL | 30 MG | 60 | 1,800 |
| 7/18/2012 | OXYCODONE HCL | 30 MG | 30 | 900 |
| 7/23/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 30 | 900 |
| 7/27/2012 | OXYCODONE HCL | 30 MG | 42 | 1,260 |
| 8/2/2012 | OXYCODONE HCL | 30 MG | 180 | 5,400 |
| 8/15/2012 | OXYCODONE HCL | 30 MG | 42 | 1,260 |
| 8/21/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 42 | 1,260 |
| 8/28/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 24 | 720 |
| 8/30/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 9/26/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 10/24/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 12/5/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 1/9/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 2/4/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 3/20/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |
| 4/18/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5,400 |

Oxycodone Total Weight: 60,300 milligrams (404,010 grams of marijuana)

Per §2D1.1 Application Note 8(D): $60,300 / 1,000 = 60.3$ grams of oxycodone x 6,700 grams of marijuana = 404,010 grams of marijuana

c. Stipulated Offense Three (Patient C):

On or about December 19, 2012, at Peru, in the Northern District of Illinois, defendant, PERALES did knowingly and intentionally dispense to Patient C a controlled substance, namely, a quantity of mixtures and substances containing

Oxycodone, a Schedule II Controlled Substance, and a quantity of mixtures and substances containing Alprazolam, a Schedule IV Controlled Substance, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1)

More specifically, beginning no later than October 27, 2011 and continuing until at least August 26, 2013, PERALES prescribed controlled substances to Patient C at his clinic in Peru, Illinois. In or around October 27, 2011, PERALES prescribed to Patient C the controlled substances Adderall (amphetamine salts) and Norco (a combination of acetaminophen and hydrocodone). After this initial visit, on or about January 30, 2013, PERALES prescribed Patient C the controlled substances Oxycodone, Adderall, and Carisoprodol (brand name: Soma). During the period that PERALES dispensed controlled substances to Patient C, PERALES required Patient C to have sex with him and perform sexual acts in exchange for the continued issuance of prescriptions, knowing that Patient C was dependent on one or more of these controlled substances.

PERALES prescribed all of the above controlled substances to Patient C outside the course of professional practice and without a legitimate medical purpose. For example, PERALES deliberately avoided performing the type of routine examinations, diagnostic tests and review of the patient's medical history that a professional acting in the usual course of medical practice would have performed, and

failed to document any legitimate medical reason for dispensing the above controlled substances to Patient C. Despite knowing there was no legitimate medical reason for Patient C to receive these controlled substances, PERALES continued to prescribe them, and further acted outside the course of professional practice by requiring Patient C to perform sexual acts in exchange for controlled substances on which Patient C was dependent.

PERALES acknowledges that the controlled substances he illegally prescribed to Patient C are accurately summarized in the chart below. For the purpose of computing his sentence under Guideline § 2D1.1, PERALES acknowledges that the total weight of these prescriptions corresponds to approximately 389.3 kilograms of marijuana.

| Date Written | Substance Prescribed | Drug Strength | Metric Qty. | Total Weight Prescribed |
|--------------|-------------------------|---------------|-------------|-------------------------|
| 10/27/2011 | METHADONE HCL | 10 MG | 300 | 3000 |
| 10/27/2011 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 11/29/2011 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 11/29/2011 | METHADONE HCL | 10 MG | 300 | 3000 |
| 1/13/2012 | ALPRAZOLAM | 2 MG | 15 | 30 |
| 1/19/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 1/19/2012 | METHADONE HCL | 10 MG | 300 | 3000 |
| 2/16/2012 | METHADONE HCL | 10 MG | 300 | 3000 |
| 2/16/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 3/24/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 3/24/2012 | METHADONE HCL | 10 MG | 300 | 3000 |
| 4/23/2012 | METHADONE HYDROCHLORIDE | 10 MG | 300 | 3000 |
| 4/23/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 5/22/2012 | METHADONE HYDROCHLORIDE | 10 MG | 300 | 3000 |

| | | | | |
|------------|--------------------------------|------------------|-----|------|
| 5/22/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 6/14/2012 | METHADONE HCL | 10 MG | 70 | 700 |
| 6/14/2012 | ALPRAZOLAM | 2 MG | 21 | 42 |
| 6/14/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 6/14/2012 | METHADONE HYDROCHLORIDE | 10 MG | 300 | 3000 |
| 7/19/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 7/19/2012 | METHADONE HYDROCHLORIDE | 10 MG | 300 | 3000 |
| 8/17/2012 | METHADONE HCL | 10 MG | 150 | 150 |
| 8/17/2012 | ALPRAZOLAM | 2 MG | 45 | 90 |
| 8/24/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 8/28/2012 | METHADONE HYDROCHLORIDE | 10 MG | 150 | 1500 |
| 9/10/2012 | ALPRAZOLAM | 2 MG | 45 | 90 |
| 9/15/2012 | METHADONE HYDROCHLORIDE | 10 MG | 300 | 3000 |
| 9/24/2012 | METHADONE HYDROCHLORIDE | 10 MG | 50 | 500 |
| 9/24/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 9/28/2012 | OXYCODONE HCL | 30 MG | 42 | 1260 |
| 10/1/2012 | METHADONE HCL | 10 MG | 70 | 70 |
| 10/8/2012 | METHADONE HCL | 10 MG | 70 | 70 |
| 10/15/2012 | METHADONE HYDROCHLORIDE | 10 MG | 300 | 3000 |
| 10/23/2102 | ALPRAZOLAM | 2 MG | 90 | 3000 |
| 10/27/2012 | APAP/HYDROCODONE BITARTRATE | 325 MG- 10 MG | 60 | |
| 11/17/2012 | OXYCODONE HYDROCHLORIDE | 30 MG | 42 | 1260 |
| 11/24/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 12/19/2012 | METHADONE HCL | 10 MG | 300 | 3000 |
| 12/19/2012 | METHADONE HYDROCHLORIDE | 10 MG | 300 | 3000 |
| 12/19/2012 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 12/19/2012 | OXYCODONE HCL | 30 MG | 90 | 2700 |
| 1/17/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 1/17/2013 | METHADONE HYDROCHLORIDE | 10 MG | 180 | 1800 |
| 1/17/2013 | OXYCODONE HCL | 30 MG | 180 | 5400 |
| 1/25/2013 | METHADONE HYDROCHLORIDE | 10 MG | 120 | 1200 |
| 2/9/2013 | OXYCODONE HCL | 30 MG | 180 | 5400 |
| 2/9/2013 | METHADONE HYDROCHLORIDE | 10 MG | 180 | 1800 |
| 2/9/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 2/19/2013 | METHADONE HYDROCHLORIDE | 10 MG | 70 | 700 |
| 2/26/2013 | ALPRAZOLAM | 2 MG | 30 | 60 |

| | | | | |
|-----------|-------------------------|-------|-----|------|
| 2/26/2013 | OXYCODONE HCL | 30 MG | 42 | 1260 |
| 2/26/2013 | METHADONE HCL | 10 MG | 56 | 560 |
| 3/8/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 3/8/2013 | METHADONE HCL | 10 MG | 180 | 1800 |
| 3/11/2013 | OXYCODONE HCL | 30 MG | 180 | 5400 |
| 4/1/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 4/1/2013 | OXYCODONE HCL | 30 MG | 180 | 5400 |
| 4/1/2013 | METHADONE HYDROCHLORIDE | 10 MG | 180 | 1800 |
| 5/3/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 5/6/2013 | OXYCODONE HCL | 30 MG | 180 | 5400 |
| 5/6/2013 | METHADONE HCL | 10 MG | 150 | 1500 |
| 5/6/2013 | ALPRAZOLAM | 2 MG | 90 | 1800 |
| 5/16/2013 | OXYCODONE HCL | 30 MG | 60 | 1800 |
| 5/16/2013 | METHADONE HYDROCHLORIDE | 10 MG | 60 | 600 |
| 5/16/2013 | ALPRAZOLAM | 2 MG | 30 | 60 |
| 5/24/2013 | ALPRAZOLAM | 2 MG | 36 | 72 |
| 5/24/2013 | OXYCODONE HCL | 30 MG | 72 | 2160 |
| 5/24/2013 | METHADONE HYDROCHLORIDE | 10 MG | 72 | 720 |
| 6/3/2013 | METHADONE HYDROCHLORIDE | 10 MG | 140 | 1400 |
| 6/3/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 6/3/2013 | OXYCODONE HCL | 30 MG | 180 | 5400 |
| 7/8/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 7/8/2013 | OXYCODONE HCL | 30 MG | 180 | 5400 |
| 7/8/2013 | METHADONE HYDROCHLORIDE | 10 MG | 180 | 1800 |
| 8/12/2013 | OXYCODONE HCL | 30 MG | 180 | 5400 |
| 8/12/2013 | METHADONE HYDROCHLORIDE | 10 MG | 160 | 1600 |
| 8/13/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |

Total Oxycodone: 53,640 milligrams (359,388 grams of marijuana)

Total Methadone: 59,270 milligrams (29,635 grams of marijuana)

Total Alprazolam: 4,584 milligrams (286.5 grams of marijuana)

Per §2D1.1 Application Note 8(D): 53,640 mg oxycodone /1,000 = 53.64 grams of oxycodone x 6,700 grams of marijuana = 359,388 grams of marijuana

Per §2D1.1 Application Note 8(D): 59,270 mg methadone /1,000 = 59.27 grams of oxycodone x 500 grams of marijuana = 29,635 grams of marijuana

Per §2D1.1 Application Note 8(D): 4,584 milligrams alprazolam x .0625 grams of marijuana = 286.5 grams of marijuana

d. Stipulated Offense Four (Patient D):

On or about January 30, 2013, at Peru, in the Northern District of Illinois, defendant PERALES did knowingly and intentionally dispense to Patient D a controlled substance, namely, a quantity of mixtures and substances containing Oxycodone, a Schedule II Controlled Substance, outside the course of professional practice and without a legitimate medical purpose, in violation of Title 21, United States Code, Section 841(a)(1)

More specifically, beginning no later than November 7, 2011 and continuing until no later than August 26, 2013, PERALES prescribed controlled substances to Patient D at his clinic in Peru, Illinois. On or about November 7, 2011, PERALES provided Patient D with prescriptions for the controlled substances APAP/Hydrocodone Bitartrate (Norco), Amphetamine Salt Combo (Adderall), and Carisoprodal (Soma). On January 30, 2013, PERALES provided Patient D with prescriptions for Oxycodone, Adderall, and Carisoprodal. Additionally, on February 27, 2013, while Patient D was incarcerated, PERALES wrote prescriptions for Oxycodone and Xanax for Patient D, knowing that Patient D intended to have a third party sell a portion of the prescriptions. During the period that PERALES dispensed controlled substances to Patient D, PERALES required Patient D to have sex with

him and perform sexual acts in exchange for the continued issuance of prescriptions for controlled substances, knowing that Patient D was dependent on one or more of these controlled substances.

PERALES prescribed all of the above controlled substances to Patient D outside the course of professional practice and without a legitimate medical purpose. For example, PERALES deliberately avoided performing the type of routine examinations, diagnostic tests and review of the patient's medical history that a professional acting in the usual course of medical practice would have performed, and failed to document any legitimate medical reason for dispensing the above controlled substances to Patient D. Despite knowing there was no legitimate medical reason for Patient D to receive these controlled substances, PERALES continued to prescribe them, and further acted outside the course of professional practice by requiring Patient D to perform sexual acts in exchange for controlled substances on which Patient D was dependent.

PERALES acknowledges that the controlled substances he illegally prescribed to Patient D are accurately summarized in the chart below. For the purpose of computing his sentence under Guideline § 2D1.1, PERALES acknowledges that the total weight of these prescriptions corresponds to approximately 99.1 kilograms of marijuana.

| Date | Substance Prescribed | Drug Strength | Qty. | Total Weight Prescribed |
|-----------|-----------------------------|---------------|------|-------------------------|
| 11/7/2011 | AMPHETAMINE SALT COMBO | 30 MG | 30 | 900 |
| 11/7/2011 | APAP/HYDROCODONE BITARTRATE | 325 MG-10 MG | 90 | 15 |
| 1/30/2013 | AMPHETAMINE SALT COMBO | 30 MG | 60 | 1800 |
| 1/30/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 120 | 3600 |
| 1/30/2013 | CARISOPRODOL | 350 MG | 60 | 21000 |
| 2/23/2013 | CARISOPRODOL | 350 MG | 60 | 21000 |
| 2/27/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 2/27/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5400 |
| 3/4/2013 | OXYCODONE HYDROCHLORIDE | 30 MG | 180 | 5400 |
| 3/4/2013 | ALPRAZOLAM | 2 MG | 90 | 180 |
| 3/4/2013 | AMPHETAMINE SALT COMBO | 30 MG | 60 | 1800 |

Total Amphetamine Salt Combo (Adderall): 4,500 milligrams

Total APAP/Hydrocodone Bitartrate (Norco/Vicodin): 15

Total Carisoprodol: 42,000 milligrams (2,625 grams of marijuana)

Total Oxycodone: 14,400 (96,480 grams of marijuana)

Total Alprazolam: 360 milligrams (22.5 grams of marijuana)

Per §2D1.1 Application Note 8(D): 14,400 mg oxycodone /1,000 = 14.4 grams of oxycodone x 6,700 grams of marijuana = 96,480 grams of marijuana

Per §2D1.1 Application Note 8(D): 360 milligrams alprazolam x .0625 grams of marijuana = 22.5 grams of marijuana

Per §2D1.1 Application Note 8(D): 42,000 milligrams carisoprodol x .0625 grams of marijuana = 2,625 grams of marijuana

Maximum Statutory Penalties

7. Defendant understands that the charge to which he is pleading guilty carries the following statutory penalties:

a. A maximum sentence of 20 years' imprisonment. This offense also carries a maximum fine of \$1,000,000. Defendant further understands that the judge

also must impose a term of supervised release of at least three years, and up to any number of years, including life.

b. In accord with Title 18, United States Code, Section 3013, defendant will be assessed \$100 on the charge to which he has pled guilty, in addition to any other penalty imposed.

Sentencing Guidelines Calculations

8. Defendant understands that in determining a sentence, the Court is obligated to calculate the applicable Sentencing Guidelines range, and to consider that range, possible departures under the Sentencing Guidelines, and other sentencing factors under 18 U.S.C. § 3553(a), which include: (i) the nature and circumstances of the offense and the history and characteristics of the defendant; (ii) the need for the sentence imposed to reflect the seriousness of the offense, promote respect for the law, and provide just punishment for the offense, afford adequate deterrence to criminal conduct, protect the public from further crimes of the defendant, and provide the defendant with needed educational or vocational training, medical care, or other correctional treatment in the most effective manner; (iii) the kinds of sentences available; (iv) the need to avoid unwarranted sentence disparities among defendants with similar records who have been found guilty of similar conduct; and (v) the need to provide restitution to any victim of the offense.

9. For purposes of calculating the Sentencing Guidelines, the parties agree on the following points:

a. **Applicable Guidelines.** The Sentencing Guidelines to be considered in this case are those in effect at the time of sentencing. The following statements regarding the calculation of the Sentencing Guidelines are based on the Guidelines Manual currently in effect, namely the November 2016 Guidelines Manual.

b. **Offense Level Calculations.**

i. The base offense level is 30, pursuant to Guideline §2D1.1(a)(5) and § 2D1.1(c)(5) because the offense involved the equivalent of approximately 1,231.2 kilograms of marijuana which is greater than 1,000 kilograms but less than 3,000 kilograms.

ii. Pursuant to Guideline § 3B1.3, the offense level is increased by 2 levels because the offense involved the abuse of a position of trust.

iii. Defendant has clearly demonstrated a recognition and affirmative acceptance of personal responsibility for his criminal conduct. If the government does not receive additional evidence in conflict with this provision, and if defendant continues to accept responsibility for his actions within the meaning of Guideline § 3E1.1(a), including by furnishing the United States Attorney's Office and the Probation Office with all requested financial information relevant to his ability to

satisfy any fine that may be imposed in this case, a two-level reduction in the offense level is appropriate.

c. **Criminal History Category.** With regard to determining defendant's criminal history points and criminal history category, based on the facts now known to the government, defendant's criminal history points equal zero and defendant's criminal history category is I.

d. **Anticipated Advisory Sentencing Guidelines Range.** Therefore, based on the facts now known to the government, the anticipated offense level is 30, which, when combined with the anticipated criminal history category of I, results in an anticipated advisory sentencing guidelines range of 97 to 121 months' imprisonment, in addition to any supervised release and fine the Court may impose.

e. Defendant and his attorney and the government acknowledge that the above guidelines calculations are preliminary in nature, and are non-binding predictions upon which neither party is entitled to rely. Defendant understands that further review of the facts or applicable legal principles may lead the government to conclude that different or additional guidelines provisions apply in this case. Defendant understands that the Probation Office will conduct its own investigation and that the Court ultimately determines the facts and law relevant to sentencing, and that the Court's determinations govern the final guideline calculation. Accordingly, the validity of this Agreement is not contingent upon the probation

officer's or the Court's concurrence with the above calculations, and defendant shall not have a right to withdraw his plea on the basis of the Court's rejection of these calculations.

10. Both parties expressly acknowledge that this Agreement is not governed by Fed. R. Crim. P. 11(c)(1)(B), and that errors in applying or interpreting any of the sentencing guidelines may be corrected by either party prior to sentencing. The parties may correct these errors either by stipulation or by a statement to the Probation Office or the Court, setting forth the disagreement regarding the applicable provisions of the guidelines. The validity of this Agreement will not be affected by such corrections, and defendant shall not have a right to withdraw his plea, nor the government the right to vacate this Agreement, on the basis of such corrections.

Agreements Relating to Sentencing

11. Each party is free to recommend whatever sentence it deems appropriate.

12. It is understood by the parties that the sentencing judge is neither a party to nor bound by this Agreement and may impose a sentence up to the maximum penalties as set forth above. Defendant further acknowledges that if the Court does not accept the sentencing recommendation of the parties, defendant will have no right to withdraw his guilty plea.

13. Defendant agrees to pay the special assessment of \$100 at the time of sentencing with a cashier's check or money order payable to the Clerk of the U.S. District Court.

14. After sentence has been imposed on the count to which defendant pleads guilty as agreed herein, the government will move to dismiss the remaining counts of the superseding indictment, as well as the indictment as to defendant.

Acknowledgments and Waivers Regarding Plea of Guilty

Nature of Agreement

15. This Agreement is entirely voluntary and represents the entire agreement between the United States Attorney and defendant regarding defendant's criminal liability in case 13 CR 888.

16. This Agreement concerns criminal liability only. Except as expressly set forth in this Agreement, nothing herein shall constitute a limitation, waiver, or release by the United States or any of its agencies of any administrative or judicial civil claim, demand, or cause of action it may have against defendant or any other person or entity. The obligations of this Agreement are limited to the United States Attorney's Office for the Northern District of Illinois and cannot bind any other federal, state, or local prosecuting, administrative, or regulatory authorities, except as expressly set forth in this Agreement.

Waiver of Rights

17. Defendant understands that by pleading guilty he surrenders certain rights, including the following:

a. **Trial rights.** Defendant has the right to persist in a plea of not guilty to the charges against him, and if he does, he would have the right to a public and speedy trial.

i. The trial could be either a jury trial or a trial by the judge sitting without a jury. However, in order that the trial be conducted by the judge sitting without a jury, defendant, the government, and the judge all must agree that the trial be conducted by the judge without a jury.

ii. If the trial is a jury trial, the jury would be composed of twelve citizens from the district, selected at random. Defendant and his attorney would participate in choosing the jury by requesting that the Court remove prospective jurors for cause where actual bias or other disqualification is shown, or by removing prospective jurors without cause by exercising peremptory challenges.

iii. If the trial is a jury trial, the jury would be instructed that defendant is presumed innocent, that the government has the burden of proving defendant guilty beyond a reasonable doubt, and that the jury could not convict him unless, after hearing all the evidence, it was persuaded of his guilt beyond a reasonable doubt and that it was to consider each count of the superseding indictment

separately. The jury would have to agree unanimously as to each count before it could return a verdict of guilty or not guilty as to that count.

iv. If the trial is held by the judge without a jury, the judge would find the facts and determine, after hearing all the evidence, and considering each count separately, whether or not the judge was persuaded that the government had established defendant's guilt beyond a reasonable doubt.

v. At a trial, whether by a jury or a judge, the government would be required to present its witnesses and other evidence against defendant. Defendant would be able to confront those government witnesses and his attorney would be able to cross-examine them.

vi. At a trial, defendant could present witnesses and other evidence in his own behalf. If the witnesses for defendant would not appear voluntarily, he could require their attendance through the subpoena power of the Court. A defendant is not required to present any evidence.

vii. At a trial, defendant would have a privilege against self-incrimination so that he could decline to testify, and no inference of guilt could be drawn from his refusal to testify. If defendant desired to do so, he could testify in his own behalf.

b. **Appellate rights.** Defendant further understands he is waiving all appellate issues that might have been available if he had exercised his right to

trial, and may only appeal the validity of this plea of guilty and the sentence imposed. Defendant understands that any appeal must be filed within 14 calendar days of the entry of the judgment of conviction.

18. Defendant understands that by pleading guilty he is waiving all the rights set forth in the prior paragraphs, with the exception of the appellate rights specifically preserved above. Defendant's attorney has explained those rights to him, and the consequences of his waiver of those rights.

Presentence Investigation Report/Post-Sentence Supervision

19. Defendant understands that the United States Attorney's Office in its submission to the Probation Office as part of the Pre-Sentence Report and at sentencing shall fully apprise the District Court and the Probation Office of the nature, scope, and extent of defendant's conduct regarding the charges against him, and related matters. The government will make known all matters in aggravation and mitigation relevant to sentencing.

20. Defendant agrees to truthfully and completely execute a Financial Statement (with supporting documentation) prior to sentencing, to be provided to and shared among the Court, the Probation Office, and the United States Attorney's Office regarding all details of his financial circumstances, including his recent income tax returns as specified by the probation officer. Defendant understands that providing false or incomplete information, or refusing to provide this information,

may be used as a basis for denial of a reduction for acceptance of responsibility pursuant to Guideline § 3E1.1 and enhancement of his sentence for obstruction of justice under Guideline § 3C1.1, and may be prosecuted as a violation of Title 18, United States Code, Section 1001 or as a contempt of the Court.

21. For the purpose of monitoring defendant's compliance with his obligations to pay a fine during any term of supervised release or probation to which defendant is sentenced, defendant further consents to the disclosure by the IRS to the Probation Office and the United States Attorney's Office of defendant's individual income tax returns (together with extensions, correspondence, and other tax information) filed subsequent to defendant's sentencing, to and including the final year of any period of supervised release or probation to which defendant is sentenced. Defendant also agrees that a certified copy of this Agreement shall be sufficient evidence of defendant's request to the IRS to disclose the returns and return information, as provided for in Title 26, United States Code, Section 6103(b).

Other Terms

22. Defendant agrees to cooperate with the United States Attorney's Office in collecting any unpaid fine for which defendant is liable, including providing financial statements and supporting records as requested by the United States Attorney's Office.

23. Defendant understands that, if convicted, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

Conclusion

24. Defendant understands that this Agreement will be filed with the Court, will become a matter of public record, and may be disclosed to any person.

25. Defendant understands that his compliance with each part of this Agreement extends throughout the period of his sentence, and failure to abide by any term of the Agreement is a violation of the Agreement. Defendant further understands that in the event he violates this Agreement, the government, at its option, may move to vacate the Agreement, rendering it null and void, and thereafter prosecute defendant not subject to any of the limits set forth in this Agreement, or may move to resentence defendant or require defendant's specific performance of this Agreement. Defendant understands and agrees that in the event that the Court permits defendant to withdraw from this Agreement, or defendant breaches any of its terms and the government elects to void the Agreement and prosecute defendant, any prosecutions that are not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against defendant in accordance with this paragraph, notwithstanding the expiration of the statute of

limitations between the signing of this Agreement and the commencement of such prosecutions.

26. Should the judge refuse to accept defendant's plea of guilty, this Agreement shall become null and void and neither party will be bound to it.

27. Defendant and his attorney acknowledge that no threats, promises, or representations have been made, nor agreements reached, other than those set forth in this Agreement, to cause defendant to plead guilty.

28. Defendant acknowledges that he has read this Agreement and carefully reviewed each provision with his attorney. Defendant further acknowledges that he understands and voluntarily accepts each and every term and condition of this Agreement.

AGREED THIS DATE: _____

JOHN R. LAUSCH, JR.
United States Attorney

CONSTANTINO PERALES
Defendant

KATHERINE A. SAWYER
Assistant U.S. Attorney

MARK KUSATZKY
Attorney for Defendant